

Ms

SERIES.

G.O. No. 2028

DATED 15-10-27

Mr. J. A. Saldanha

THE REVENUE DEPARTMENT
THE DEVELOPMENT DEPARTMENT

110. Will the hon. the Minister for Development ~~xxxxxx~~ and the hon. the Minister for Public Health be pleased to refer to article 28 on "Industrial alcohol" on page 380 of Indian Munitions Board's "Industrial Hand-book 1919" and to state---

(a) what steps have been taken by Government to explore the possibilities of production in this Presidency of Industrial alcohol as a form of fuel, which the author of the article, Dr. Gilbert Fowler of the Indian Institute of Science, Bangalore, thinks can be obtained in unlimited quantities in India;

the Madras Presidency for the production of industrial alcohol as a direct product or by-product and (ii) which are the principal ones ^{and} (iii) which of them are under Government supervision and control;

(c) what aids and facilities are given by Government to any firm or individual working such industry (ii) which of them and (iii) to what extent;

(d) whether a representation was made by several inhabitants of S. Kanara in 1926 in which a request was made for

the establishment of distilleries for the manufacture of industrial alcohol, among others and whether this application was rejected on the ground that the petitioners had not shown that the supply of such spirit was insufficient to meet the demand;

(e)(i) whether thereupon the Kanara Indian Christian Civic League made a further representation on the subject on the ground of encouragement of a national industry instead of our people depending for the sufficiency of industrial alcohol on foreign imports and (ii) whether the Commissioner of Excise refused to reconsider the question and (iii) if so, on what grounds; and

(f) (i) whether Government have laid it down as a policy that in considering applications for facilities for the encouragement of a new national industry such as that of industrial alcohol, the fact that there is a sufficient quantity in the local market of such product imported from Great Britain or any foreign country should be a bar to the favourable consideration of such an application and (ii) if not, on what ground the rejection of the petition referred to above by the Excise Commissioner was justified?

V.R.

O. n. no 2007 II/27-1 d 4.7.27

A copy of the question (no 110) which
Mr. J. A. Saldanha proposes to ask
at the next meeting of the Legislature
connected with the 2nd degree
is forwarded to the Director
of Industries and he is requested to
suggest suitable replies to clauses
a to c ~~and~~ (f)

RL
1.7.27.

MA
27.27

Received.....192 . Registered.....19

2236 II

21-7-27

Subject.

Legislative Council question-- Power alcohol-- possibilities
of manufacture--



ENCLOSURES.

No. 1

Spare copies

No. 476A/27

Station Madras, Dated the 19th July 1927

From (Name) Khan Bahadur M. Bazlullah Sahib Bahadur,
C.I.E., O.B.E., M.L.C.,
(Designation) Director of Industries, Madras.

To The Secretary to the Government of Madras,

Development Department.

Sir,

With reference to Government Memo No. 2007 II/27-1 dated 4th July 1927, I have the honour to forward herewith draft replies to clauses (a) to (c) of Mr. Saldanha's question.

The possibility of producing power alcohol was investigated by this department in 1920 and an attempt was made to collect information in regard to the quantities available of the different raw materials, particularly the Mohwa flower. It was however considered doubtful whether it would pay to start a factory for the purpose until such time as the demand for petrol exceeds the supply and a substitute for it is necessary. Messrs. Parry & Co., have always been able to manufacture power alcohol in their

moment. Experiments carried out by them recently to find out the relative cost of using power alcohol, petrol and kerosine for running internal combustion engines go to show that though these engines could be run very satisfactorily on alcohol, in the matter of running ^{cost} ~~work~~, alcohol cannot compete with kerosine or petrol at their present prices.

The Power Alcohol factory at Kamareddi in H.E. ^H the Nizam's Dominions has not yet started manufacturing operations though the construction of buildings and erection of machinery were completed about a year ago and I observe from the 'Capital' of 7th July 1927 that a Committee has been appointed to consider the question of the future of the factory and that it is proposed to leave the management, if possible, to private firms.

I have the honour to be,

Sir,

Your most obedient servant,


Director of Industries.
_A ₂₇

Draft replies.

Clause (a)

The possibility of producing power alcohol was investigated by the Industries Department in the year 1920 but as it was considered doubtful whether it would pay to establish a factory for the purpose until such time as the demand for petrol exceeds the supply and ^{it becomes} a substitute for it is necessary, the matter was not pursued further, though some information was collected in regard to the availability of the requisite raw materials. Government understand that the cost of running internal combustion engines on power alcohol compares unfavourably with the cost of running them with Kerosine or Petrol at their present prices.

Clause (b)

There are no factories in the Presidency producing industrial alcohol on a commercial scale, but Messrs. Parry & Co are able to manufacture power alcohol in their distilleries and can produce it at any ^{moment} ~~result~~ on a commercial scale.

Clause (c)

L. U. Question No. 110. - Unstarred

QUESTION. *Unstarred*

DRAFT ANSWER

Mr. J. A. Saldanha.

110. Will the hon. the Minister for Development, and the hon. the Minister for Public Health be pleased to refer to article 28 on "Industrial alcohol" on page 250 of Indian Munitions Board's "Industrial Hand-book 1919" and to state--

(a) what steps have been taken by Government to explore the possibilities of production in this Presidency of Industrial alcohol as a form of fuel, which the author of the article, Dr. Gilbert Fowler of the Indian Institute of Science, Bangalore, thinks can be obtained in unlimited quantities in India;

(b) (i) how many factories there are in the Madras Presidency for the production of industrial alcohol as a direct product or by-product (ii) which are the principal ones; and (iii) which of them are under Government supervision and control;

(c) (i) what aids and facilities are given by Government to any firm or individual working such industry (ii) which of them and (iii) to what extent;

(d) whether a representation was made by several inhabitants of S. Kanara in 1926 in which a request was made for the establishment of distilleries for the

Clause (a) The possibility of producing power alcohol was investigated by the Industries Department in the year 1920 but as it was considered doubtful whether it would pay to establish a factory for the purpose until such time as the demand for petrol exceeds the supply and the necessity for a substitute for it is felt, the matter was not pursued further, though some information was collected in regard to the availability of the requisite raw material. Govt. understand that the cost of running internal combustion engines on power alcohol compares unfavourably with the cost of running them with Kerosine or Petrol at their present prices.

Clause (b). There are no factories in the Presidency producing industrial alcohol on a commercial scale, but Messrs Parry & Co. are able to manufacture power alcohol in their distilleries and can produce it at any moment on a commercial scale.

QUESTION (Contd.)

manufacture of industrial alcohol, among others, and whether this application was rejected on the ground that the petitioners had not shown that the supply of such spirit was insufficient to meet the demand;

- (c) (i) whether thereupon the Kanara Indian Christian Civic League made a further representation on the subject on the ground of encouragement of national industry instead of our people depending for the sufficiency of industrial alcohol on foreign imports
- (ii) whether the Commissioner of Excise refused to reconsider the question and
- (iii) if so, on what grounds; and

Mr. J. A. SALDANHA.

Will the Honourable the Minister for Development and the Honourable the Minister for Public Health be pleased to refer to article 28 on "Industrial alcohol" on page 280 of Indian Munitions Board's "Industrial Hand-book 1919" and to state -

(a) what steps have been taken by Government to explore the possibilities of production in this Presidency of Industrial alcohol as a form of fuel, which the author of the article, Dr. Gilbert Fowler of the Indian Institute of Science, Bangalore, thinks can be obtained in unlimited quantities in India;

(b) (i) how many factories there are in the Madras Presidency for the production of industrial alcohol as a direct product or by-product (ii) which are the principal ones; and (iii) which of them are under Government supervision and control;

(c) (i) what aids and facilities are given by Government to any firm or individual working such industry (ii) which of them and (iii) to what extent;

(d) whether a representation was made by several inhabitants of South Kanara in 1926 in which a request was made for the establishment of distilleries for the manufacture of industrial alcohol, among others, and whether this application was rejected on the ground that the petitioners had not shown that the supply of such spirit was insufficient to meet the demand;

(e) (i) whether thereupon the Kanara Indian Christian Civic League made a further representation on the subject on the ground of encouragement of a national industry instead of our people depending for the sufficiency of industrial alcohol on foreign imports (ii) whether the Commissioner of Excise refused to reconsider the question and (iii) if so, on what grounds; and

(f) (i) whether Government have laid it down as a policy that in considering applications for facilities for the encouragement of a new national industry such as that of industrial alcohol, the fact that there is a sufficient quantity in the local market of such product imported from Great Britain or any foreign country should be a bar to the favourable consideration of such an application and (ii) if not, on what ground the rejection of the petition referred to above by the Excise Commissioner was justified ?

inhabitants of South Kanara in 1926 for the establishment of distilleries in South Kanara for the manufacture of liquor and bye-products including industrial alcohol. The petitioners were advised to approach the Collector of South Kanara and the Commissioner of Excise in the first instance.

Clause (e). The Government have not the information asked for.

Clause (f) (i). The Government have not laid down any such policy as is referred to by the Honourable Member.

Clause (f) (ii). The Honourable Member is referred to the answer given to clause (e) above.

Dated, Fort St. George, |
the 23rd August 1927. |

J. F. HALL,
SECRETARY TO GOVERNMENT.

Om No: 1597 D/22 - 28 9.8.27

Excise - South Kanara District -
Liquor, sugar and industrial
alcohol - manufacture - Distillery
establishment

It has been suggested to the Govt that the establishment of distilleries in the South Kanara district should be permitted with a view to utilize the large quantity of raw materials available in the district for the manufacture of liquor, ~~sugar~~ and industrial alcohol, with the necessary precautions for preventing ~~intemperance~~ intemperance and safeguarding the revenue to the Govt. The Commr of Excise is requested to report fully on the feasibility or otherwise of giving effect to this suggestion.

Possibilities of the production of industrial alcohol in this Presidency.

88 Q.—Mr. J. A. SALDANHA: Will the hon. the Minister for Public Health and the hon. the Minister for Development be pleased to refer to article 28 on "Industrial alcohol" on page 350 of Indian Munitions Board's "Industrial Hand-book, 1919" and to state—

(a) what steps have been taken by Government to explore the possibilities of production in this Presidency of industrial alcohol as a form of fuel, which the author of the article, Dr. Gilbert Fowler of the Indian Institute of Science, Bangalore, thinks can be obtained in unlimited quantities in India;

(b) (i) how many factories there are in the Madras Presidency for the production of industrial alcohol as a direct product or by-product

(ii) which are the principal ones and

(iii) which of them are under Government supervision and control;

(c) (i) what aids and facilities are given by Government to any firm or individual working such industry,

(ii) which of them and

(iii) to what extent;

(d) whether a representation was made by several inhabitants of South Kanara in 1926 in which a request was made for the establishment of distilleries for the manufacture of industrial alcohol, among others, and whether this application was rejected on the ground that the petitioners had not shown that the supply of such spirit was insufficient to meet the demand;

(e) (i) whether thereupon the Kanara Indian Christian Civic League made a further representation on the subject on the ground of encouragement of a national industry instead of our people depending for the sufficiency of industrial alcohol on foreign imports,

(ii) whether the Commissioner of Excise refused to reconsider the question and

(iii) if so, on what grounds; and

(f) (i) whether Government have laid it down as a policy that in considering applications for facilities for the encouragement of a new national industry such as that of industrial alcohol, the fact that there is a sufficient quantity in the local market of such product imported from Great Britain or any foreign country should be a bar to the favourable consideration of such an application and

(ii) if not, on what ground the rejection of the petition referred to above by the Excise Commissioner was justified?

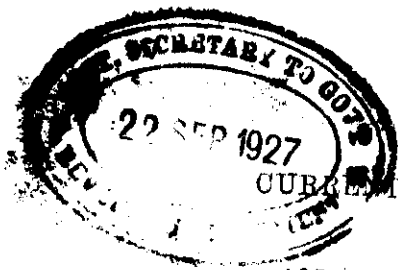
A.—(a) The possibility of producing power alcohol was investigated by the Industries department in the year 1920, but as it was considered doubtful whether it would pay to establish a factory for the purpose until such time as the demand for petrol exceeds the supply and the necessity for a substitute for it is felt, the matter was not pursued further, though some information was collected in regard to the availability of the requisite raw materials. Government understand that the cost of running internal combustion engines on power alcohol compares unfavourably with the cost of running them with kerosene or petrol at their present prices.

There are no factories in the Presidency producing industrial alcohol on a commercial scale, but Messrs. Parry & Co. are able to manufacture power alcohol in their distilleries and can produce it at any moment on a commercial scale.

Done.

The Government received a petition from certain inhabitants of South Kanara in 1926 for the establishment of distilleries in South Kanara for the manufacture of liquor and by-products

including industrial alcohol. The petitioners were advised to approach the Collector of South Kanara and the Commissioner of Excise in the first instance.



DEPARTMENT.

C.F. 81-10 188-8-9-27

cal - D)
m9

Received 1927 Registered 1927

Subject.

South Kanara District - establishment of local
distilleries - petition - report to Government.

Supra Memorandum from Government, Revenue Department, No. 1597 D/27-2,
dated 9th August 1927.

OSURIS.

R.No. 1986-Abk.

Station Chepauk, Madras., Dated the 16th September '27. 1927

From

Land Revenue.

The Board of Revenue, Revenue Settlement, etc.
Separate Revenue.

Resolution
Reference.

P.L. Moore Esq., C.I.E., I.C.S.,
Ag. 1st Member, Board of Rev., & Excise Commr.

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PROCEEDINGS:

The Commissioner reports that a copy of the petition now forwarded by Government was received by him in July 1926.

8/27 (2) After consulting both the Collector and the Assistant Commissioner and after carefully considering the whole question the Commissioner decided not to accede to the petitioner's request.

6 27

2. The main grounds urged in the petition for starting distilleries in the District are (1) that the quality of the licit liquor now supplied to the District is bad, and (2) that the opening of local distilleries will afford wide scope for the utilisation of the large quantities of raw materials available in the District for the manufacture of liquor, and provide employment for a number of people.

3. The arrack supply contractors

the District are Messrs. Parry and Co., and the liquor is supplied from their distillery at Nellikuppam. In 1924, with a view to prevent the discoloration of liquor issued to the District, instructions were issued to the distillers to use new casks and drums or to regalanize the old ones or to use wooden boxes in the transport of liquor from the distillery to the warehouses in the District. Every ~~case~~^{care} is being taken to see that the liquor issued to the warehouses is not discoloured and any quantity found to be discoloured or otherwise bad, on arrival at the warehouse is returned to the distillery for redistillation. The local officers have reported that there is no aversion in the District to the licit arrack supplied; on the other hand the licit stuff is extremely popular as will be evident from the prevalence, to a large extent of unlicensed sales of licit liquor in all the soda water shops of Mangalore and other towns in the District. Illicit distillation is no doubt prevalent in the District to a considerable extent, but this is due not to any aversion to the licit liquor but to the fact that illicit liquor is much cheaper.

4. Most of the sugar ~~case~~^{cane} grown in the District is used for the manufacture of jaggery and it is reported that the local jaggery is not even sufficient to meet the demand of the District and that large quantities have to be imported from other places. As regards other raw materials, the palmyrah trees in the District are tapped at present for toddy which is taken by the majority of the drinking classes in preference to arrack; a considerable number of tappers and their womenfolk all over the District are engaged in the manufacture of jaggery from sweet juice drawn from palmyrah and coconut trees. As regards cashew fruits from which liquor can be manufactured, these fruits are at present eaten by poor people or given to cattle; and the cashew nuts for which there is always a demand in foreign markets are exported at good prices. The petitioners' contention that these products are at present wasted does not seem to be correct. The Commissioner

would * in this connection point out that if cashew arrack is permitted to be manufactured and sold in the District there will be a considerable fall in revenue and increase in Illicit Distillation as it will be extremely difficult to differentiate between the licit and illicit liquor and cases of illicit distillation cannot therefore be easily detected. The attention of Government is invited to the Commissioner's report R.No.274-Abk./24, dated 2nd April 1924 on the Legislative Council Question No.359.

5. In view of the circumstances mentioned in paras 2 and 3 above, the Commissioner does not consider it necessary to allow local distilleries to be started in the South Kanara District.

6. Another point urged in the petition is that permission may be granted for the manufacture of industrial alcohol. In this Presidency permission has been granted only to Messrs. Parry and Co., to manufacture power alcohol for use in working their National Engine and to make experiments in its manufacture with certain denaturants. Messrs. Parry and Co., have not arrived at any definite results so far. This spirit is not to be placed on the market and the experiments in its manufacture are to be carried on under the supervision of the Distillery Officer, Nellikuppam. If a local distillery is permitted to be started in the South Kanara District for the manufacture of commercial or industrial alcohol the main point to be considered is that the grant of such a permission will depend on whether the manufactures can expect anything like a reasonable demand for their product to enable them to defray their working expenses. The Commissioner has grave doubts whether the concern if started will be able to ^{stand} ~~withstand~~ the competition of foreign products, not to mention spirits from Bengal and other places. The petitioners have not shown that the existing supply of this alcohol is insufficient to meet the demand. In fact this point was already put to the petitioners by the Commissioner but no satisfactory reply has been received from them so far. In the Commissioner's opinion, the inevitable result of starting a local distillery in the District for the manufacture of indus

have to be closed down for lack of sufficient demand

7. In the above circumstances the Commissioner
that the petition deserves no consideration

W. A. Bruns

SECRETARY

QUESTION.—No 110

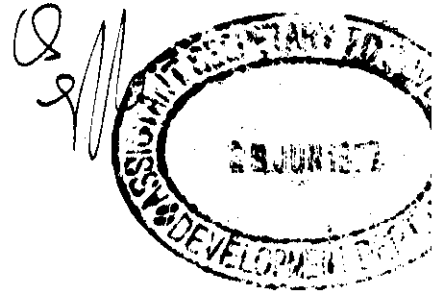
for the meeting of the Legislative

97 D/7 Council to be held on the 23rd August 1927.

200/11
29.6.27

SUBMITTED that two copies of this Question may be forwarded to the
Development Department.

The Question has been admitted.



U.O. No. dated

To

The Development Department.

To L.S.

Dev Dept

Please see the question in the C.F. This department is concerned with clauses a to c. clauses (d) to (f) relate to Revenue. We have no information on the points raised in the question. The Director of Industries may be asked to furnish the information. After his reply is received the file may go to Revenue. A draft o.m. to the Director is submitted for approval.

Syk

7.27.

Put up. ~~with~~ The file in which we recently examined the nature of the action taken or to be taken on the various recommendations re chemical industries contained in the Punjab's Grand Band Book.

ject: Legislative Council 2nd Question No.
110 - Manufacture of Industrial Alcohol.

(unstated).

Law Dept. III-8-2,000-24-11-26.

QUESTION.—No 110

for the meeting of the Legislative

Council to be held on the 23rd August 1927.



RESOLVED that two copies of this Question may be forwarded to the
Revenue Department.

The Question has been admitted.

Q
2/1

total amount of distilleries in South
Canara for the manufacture of liquor
as well as bye-products such as
sugar and industrial alcohol
The ~~petition~~^{memorial} was rejected as the
memorialists had not approached
the Colr of S. Kanara and the Commr
in the first instance
of Ensis. This information was
given to the M.L.C in answer to
a L.C. Qn in August 1926. ~~or~~

to development up for furnishing
answers to ^{(a), (b) and (c)} clauses of the
question.

18
1-7-27
C.M.
2.7.27.
Cf) How can Govt say that they have
no information about a govt policy alleged to have been laid
down by themselves? Please write
further - sensibly to the point.
2.7.27

To Asst Secy.

The Govt have not laid down
any such policy as is referred to by
the M.L.C. in clause (f) of the question.

2/. under rule 3 of the Distillery
and Warehouse rules, the power to
sanction the opening of distilleries
is vested in the Commr of Excise.
In respect of the case referred to
in clause (f) of the question it is subd
that the Govt have no information
beyond the allegation contained in
the question and in a copy of the
Memorial subd to them in May 1927.

any such policy as is referred
to by the Hon'ble Member.

~~which~~
~~that is to say~~

~~the circumstances in which~~
~~the cause of it is stated to have~~
~~required the protection~~

(f) (ii). The Hon'ble Member is referred to the
answer given to clause (e) above.

6.7.27 4 Revised draft answer is submitted for approval.

Ans
6.7.27.

Ans
7.7.27

5

To answer clause (e) & (f) (ii).

7.7.27

To H.S.

Secy Dept.

The Director of Industries has been asked
to suggest answers to clauses (a) & (c). It is linked,
file. His reply may be awaited.

Ans
7.7.27.

yes - Remind D.I. on 1.8.27, if necessary.

OR
12.7.

[Don. to the Director of Industries 2007.5] or 17 4.7.27]

[Letter from the Director of Industries no 476/1/2 19.7]

To H.S.

Please see the reply from the Director of
Industries at H 4-6 CF. The draft answers
suggested by the Director for claims (a) to (c)
may be accepted. These answers may be sent to
Revenue for embodying in the draft answer. That
dept may also be requested to circulate the file
to H 4-2. With these remarks the file may be
returned to Revenue dept. Please circulate to H 4

S / R
25.7.

1/10
26.7.27

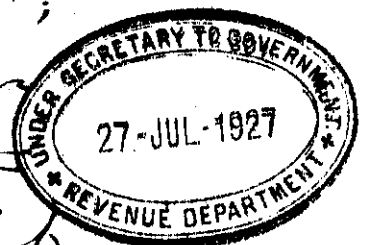
Revenue no

Rev Dept

Secretary

The draft answer below is
for approval.

The answer is approved;
let I think like I have
a definite report and
begin the first part
for promotion to that position.



L. S. Kanam, for the manufacturing
branch &c.

30/7/27

20.7.27

4/11/27

Issue draft
1.8.27

File recd from
despatch of
answer 6/8/27

aft answer despatched to the Leg. Council office of 4.8.27

Not Secy

With reference to the humble M^s's
to above, a draft memo to the Council of
case is submitted for approval
Issue & submit to S^r for perusal
CAH
9.8.27

to the Council of Encluse No 1597 of 27.7.27-2 of 9.8.27.

Secy

To Asst Secy.

This file relates to the opening of distilleries in South Kanara for the manufacture of arrack and industrial alcohol.

2/. In August 1927, Mr. Saldanha asked a question in the Leg Council on this subject. He enquired whether a representation was made by several inhabitants of South Kanara in 1926 asking for the establishment of distilleries for the manufacture of industrial alcohol, among others liquors. In reply, Mr. Saldanha was informed that the petition referred to was need ^{by the Govt. and} that the petitioners were advised to approach the Commr of South Kanara and the Commr of Enrie in the first instance. HH3 however asked for a definite report on the suggestion that the Govt should give permission for the starting of distilleries in S. Kanara. The Commr's report at H/17-20 CF is in reply to the reference made at the instance

3/. The Commr has dealt with the question fully and is against the starting of distilleries for the following reasons:-

(a) That the existing supply of liquor is extremely popular in the dt

(b) That the statement ~~of the~~ that the local products such as sugar cane and cashew ~~root~~ ^{fruit} are being wasted at present is not correct

(c) That if arrack is allowed to be manufactured out of cashew fruits as requested by the petrs from the S. Kanara dt, it will be very difficult to differentiate between licit and illicit liquor.

Please see orders on page 9 supra
 the papers contain important discussions
 may be recorded in a E.O. Draft Form

Cal
 12.2.73.

Cal
 12.2.73

Chas. R. L.
 R. M. H. H. H.
G
 12.2.73

